



**RBA:**  
**CITY OF AUSTIN**  
**RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 4**  
**AGENDA DATE: 08/06/2009**  
**PAGE: 1 OF 2**

**SUBJECT:** Approve the negotiation and execution of a loan to VINCARE SERVICES OF AUSTIN FOUNDATION, or its affiliate, under the Rental Housing Development Assistance Program, in an amount not to exceed \$1,500,000, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, to acquire the property located at 3200 South Lamar Boulevard, to serve as a 24-unit supportive rental housing apartment facility for homeless and low-income families.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2008-2009 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program using proceeds from General Obligation Affordable Housing Bonds.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING**  
**DEPARTMENT:** Austin Housing Finance Corporation

**FOR MORE INFORMATION CONTACT:** Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

**PRIOR COUNCIL ACTION:**

**PRIOR BOARD ACTION:**

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Approval of funding will facilitate the acquisition of a 24-unit apartment property at 3200 South Lamar Boulevard by VinCare Services of Austin Foundation (VinCare), or its affiliate, that will serve as supportive rental housing for homeless and low-income families. Acquisition of the property will allow VinCare to expand its St. Louise House program currently operating 22 units at 2104 Berkett Drive. The Berkett property was purchased in May 2008 with Affordable Housing General Obligation Bond (GO Bond) funds from the Austin Housing Finance Corporation (AHFC).

The 24 units on South Lamar will serve families with yearly household incomes of no more than 50 percent of the Austin area's median family income (MFI-currently \$36,650 for a four-member household). In 2008, 96 percent of the families served by VinCare had incomes of less than 30 percent of MFI (median family income - currently \$22,000 for a four-member household). Rents are based on a sliding scale not to exceed 30 percent of a household's monthly income. Families with Housing Choice Vouchers (Section 8) are accepted by VinCare's program.

All 24 units are two-story, two-bedroom/one-bath units with bedrooms located on the second floor. The project includes repairs and minor rehabilitation of apartments and the new construction of a multi-purpose community room for tenant activities. To meet program requirements for accessible units for families with disabilities, three additional units will be converted into accessible units at VinCare's Berkett property. With these conversions, 10 percent of all units in the St. Louise House program will be accessible to persons with disabilities.

Families residing at the South Lamar site will be provided on-site case-management and supportive services that include, but are not limited to: debt counseling and referral, legal referral, job counseling, education and training assistance, mental healthcare, household skills training, parenting skills training, and childcare assistance.

The request for financing was received in response to a Notice of Funding Availability under the Rental Housing Development Assistance (RHDA) program for Affordable Housing GO Bond funding. The Housing Bond Review Committee reviewed the funding application on July 15, 2009 and supports the proposed project. Under RHDA GO Bond program guidelines, units assisted are required to remain affordable for a minimum of 40 years; however, VinCare proposes to provide the units as affordable units for a minimum of 99 years. The project is subject to S.M.A.R.T. Housing™ standards and applicable environmental review requirements.

Following Board approval, an RHDA program loan will be negotiated and executed with VinCare in an amount not to exceed \$1,500,000 for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the 99-year period contingent upon compliance with the loan agreement. Estimated sources and uses of funds for the project are as follows:

<b><u>Sources:</u></b>		<b><u>Uses:</u></b>	
Owner equity	\$ 324,303	Predevelopment	\$ 42,186
RHDA GO Bond funds	<u>1,500,000</u>	Acquisition	1,500,000
<b>Total</b>	<b>\$ 1,824,303</b>	Construction/hard costs	279,750
		Soft costs	<u>2,367</u>
		<b>Total</b>	<b>\$ 1,824,303</b>

VinCare is a non-profit 501(c)(3) corporation established in 2000 to meet the needs of homeless and low-income families in the Austin community. The St. Louise House program initially consisted of leased apartment units in the Zilker neighborhood. Through the St. Louise House, VinCare provides affordable housing and supportive services to homeless and low-income families to enable them to attain greater independence and self-sufficiency. Since 2001, Vincare has provided affordable housing and supportive services to more than 90 homeless and low-income families.

The requested funding is available in the Fiscal Year 2008-2009 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.